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Report Highlights:

Cattle, sheep and pig inventories for CY 2002 are estimated to have fallen due to widespread drought conditions across the Australian continent. Production and slaughter in CY 2003 is forecast to increase for sheep and pigs due to lower opening inventories and an expected return to more normal weather conditions. Cattle slaughter is forecast to increase, with beef production and exports maintained at record levels.

Includes PSD changes: Yes
Includes Trade Matrix: No
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SECTION I: SITUATION AND OUTLOOK

Widespread drought across much of the Australian continent during CY 2002 have completely reversed the previous herd rebuilding phase of the livestock industry. Some areas experienced the second year of drought, with below average rainfall also recorded in many grazing areas in CY 2001. As a result of the continuing abnormal climatic conditions, post has revised livestock inventories downward from the previous forecast.

In the Livestock Annual Report (AS 2023, 9/9/2002), cattle inventories were forecast to increase to record levels and sheep inventories were expected to increase for the first time in a decade due to historically high livestock prices and increased confidence in livestock industries. However, severe drought and the rapid depletion of fodder reserves has effectively reversed this trend. Despite severe drought conditions for much of the year, producers refrained from turning off stock until the final quarter of CY 2002. Until recently, this had effectively masked the impact of drought.

Post anticipates a return to more normal weather conditions for CY 2003. However, pasture conditions and fodder reserves would not be expected to return to normal levels until the second half of CY 2003. Higher slaughter and production levels experienced for the last quarter of CY 2002 are expected to persist for at least the first half of CY 2003.

SECTION II: STATISTICAL TABLES

Animal Numbers, Cattle

PSD Table						
Country	Australia					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Total Cattle Beg. Stks	28800	27720	29700	29200	29952	28830
Dairy Cows Beg. Stocks	2281	3100	2392	3220	2494	3140
Beef Cows Beg. Stocks	13200	24620	13600	25980	13600	25690
Production (Calf Crop)	10396	10989	10107	9545	10713	10724
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	39196	38709	39807	38745	40665	39554
Intra EC Exports	0	0	0	0	0	0
Other Exports	823	823	830	890	900	950
TOTAL Exports	823	823	830	890	900	950
Cow Slaughter	3693	3693	3700	3700	3500	3500
Calf Slaughter	956	956	975	975	1000	1000
Other Slaughter	3974	3987	4300	4300	5164	5164
Total Slaughter	8623	8636	8975	8975	9664	9664
Loss	50	50	50	50	50	50
Ending Inventories	29700	29200	29952	28830	30051	28890
TOTAL DISTRIBUTION	39196	38709	39807	38745	40665	39554
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Meat, Beef and Veal

PSD Table						
Country	Australia					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Slaughter (Reference)	8623	8636	8975	8975	9664	9664
Beginning Stocks	21	36	21	38	16	68
Production	2052	2049	2100	2205	0	2205
Intra EC Imports	0	0	0	0	0	0
Other Imports	5	1	5	1	0	1
TOTAL Imports	5	1	5	1	0	1
TOTAL SUPPLY	2078	2086	2126	2244	16	2274
Intra EC Exports	0	0	0	0	0	0
Other Exports	1395	1391	1420	1488	0	1551
TOTAL Exports	1395	1391	1420	1488	0	1551
Human Dom. Consumption	662	657	690	688	0	673
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	662	657	690	688	0	673
Ending Stocks	21	38	16	68	0	50
TOTAL DISTRIBUTION	2078	2086	2126	2244	0	2274
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	541	541	541	541	541	541

Animal Numbers, Sheep

PSD Table						
Country	Australia					
Commodity	Animal Numbers, Sheep				(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
TOTAL Beginning Stocks	119900	111000	116303	101000	112814	91000
Ewes, Beginning Stocks	55125	55125	54022	52500	54022	50500
Production (Lamb Crop)	43942	37534	42207	35940	40686	43800
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	163842	148534	158510	136940	153500	134800
Intra EC Exports	0	0	0	0	0	0
Other Exports	6909	6909	6300	6424	5600	5900
TOTAL Exports	6909	6909	6300	6424	5600	5900
Ewe Slaughter	0	0	0	0	0	0
Lamb Slaughter	17910	17919	17800	17800	18100	18100
Other Slaughter	15838	15824	14250	14370	13200	13200
TOTAL Slaughter	33748	33743	32050	32170	31300	31300
Loss	6882	6882	7346	7346	6600	6600
Ending Inventories	116303	101000	112814	91000	110000	91000
TOTAL DISTRIBUTION	163842	148534	158510	136940	153500	134800
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Meat, Lamb, Mutton & Goat

PSD Table						
Country	Australia					
Commodity	Meat, Lamb, Mutton and Goat				(1000 MT CWE)(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Slaughter (Reference)	15838	15824	14250	14370	13200	13200
Beginning Stocks	8	8	5	5	5	5
Production	679	679	670	642	688	629
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	687	687	675	647	693	634
Intra EC Exports	0	0	0	0	0	0
Other Exports	453	453	435	432	450	432
TOTAL Exports	453	453	435	432	450	432
Human Dom. Consumption	229	229	235	210	238	197
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	229	229	235	210	238	197
Ending Stocks	5	5	5	5	5	5
TOTAL DISTRIBUTION	687	687	675	647	693	634
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	75	75	75	75	82	82

Animal Numbers, Swine

PSD Table						
Country	Australia					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
TOTAL Beginning Stocks	2604	2748	2912	2912	2729	2729
Sow Beginning Stocks	305	291	314	314	298	298
Production (Pig Crop)	5481	5337	5300	5458	5203	5323
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	8085	8085	8212	8370	7932	8052
Intra EC Exports	0	0	0	0	0	0
Other Exports	2	2	2	2	2	2
TOTAL Exports	2	2	2	2	2	2
Sow Slaughter	0	0	0	0	0	0
OTHER SLAUGHTER	5171	5171	5481	5639	5480	5600
Total Slaughter	5171	5171	5481	5639	5480	5600
Loss	0	0	0	0	0	0
Ending Inventories	2912	2912	2729	2729	2450	2450
TOTAL DISTRIBUTION	8085	8085	8212	8370	7932	8052
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Meat, Swine

PSD Table						
Country	Australia					
Commodity	Meat, Swine				(1000 MT CWE)(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Slaughter (Reference)	5171	5171	5481	5639	5480	5600
Beginning Stocks	11	11	1	1	1	11
Production	379	379	398	411	400	390
Intra EC Imports	0	0	0	0	0	0
Other Imports	38	38	45	60	45	60
TOTAL Imports	38	38	45	60	45	60
TOTAL SUPPLY	428	428	444	472	446	461
Intra EC Exports	0	0	0	0	0	0
Other Exports	66	66	79	80	83	80
TOTAL Exports	66	66	79	80	83	80
Human Dom. Consumption	361	361	364	381	362	370
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	361	361	364	381	362	370
Ending Stocks	1	1	1	11	1	11
TOTAL DISTRIBUTION	428	428	444	472	446	461
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

SECTION III: NARRATIVE ON SUPPLY & DEMAND, POLICY & MARKETING

Cattle Numbers, Beef and Veal

Production

Inventory: Official Australian Bureau of Statistics (ABS) figures place total cattle numbers for CY 2001 at 27.72 million head as of June 30 2001, more than one million head below the number reported by post in the last report. ABARE and MLA have also revised their numbers downward in line with this figure. Post has CY 2001 closing inventory at 29.2 million head, with relatively high cattle prices encouraging producers to withhold stock from slaughter during the rebuilding phase of the herd cycle.

Post estimates closing inventory for CY 2002 to fall slightly to 28.83 million head, due to drought conditions experienced across much of the continent. Slightly higher slaughter and live export numbers, driven by depleted fodder reserves, is anticipated to reduce cattle numbers, effectively reversing the trend of herd rebuilding forecast by post in the previous report.

Post forecasts cattle inventory to close slightly higher in CY 2003, at 28.89 million head, with an anticipated return to more normal weather conditions. Despite drought conditions at time of writing this report, producers are relatively optimistic in regard to the medium term beef outlook. Despite assuming a return to normal weather conditions in CY 2003, post expects that increases in closing inventory numbers will be partially constrained until fodder reserves reach more normal levels, which could be expected toward the second half of the forecast year.

Production (Calf Crop): Official ABS calf crop figures are not available for the Australian cattle industry. Figures reported by post are derived as the residual of other categories. Post estimates a reduction in calf crop numbers for CY 2002 due to poorer fertility and higher calf mortality rates due to drought stress. Calf crop figures are forecast by post to recover in CY 2003.

Live exports: Post puts live exports for 2001 at 823,000 head, in line with official ABS statistics. Post estimates live exports to have increased nine percent to 890,000 MT in CY 2002, in line with ABS figures for the first nine months of the year. Post forecasts live exports to increase to a record 950,000 head in CY 2003. ABARE reports that reduced cattle prices due to the drought-induced sell off, combined with strong export demand, pushed exports up by 20 percent in the September quarter, compared with the same quarter in the previous year. Post anticipates that this high level will persist well into CY 2003.

Slaughter: Official ABS statistics place slaughter at 8.6 million head in CY 2001, relatively unchanged from post's previous report. ABS slaughter figures for the first nine months of CY 2002 show a one percent fall, when compared to the same period for the previous year. However, post estimates overall CY 2002 slaughter to increase by four percent to just under nine million head due to a dramatic increase in monthly slaughter data for September to November 2002. Post expects that high levels of fodder reserves in some areas were carried over into CY 2002, allowing producers to withhold stock from sale while awaiting a return to more normal weather conditions. This did not occur, and thus producers were forced to significantly increase turnoff and slaughter for the last quarter of CY 2002 .

Post forecasts slaughter for CY 2003 to rise to a record 9.7 million head. The dramatic increase in slaughter estimated for the final quarter of CY 2002 is expected to carry over into CY 2003. Furthermore, fodder reserves may require much of CY 2003 to return to more normal levels.

Production: Official ABS figures place total beef and veal production for CY 2001 at 2,049 TMT Carcass Weight Equivalent (CWE), largely unchanged from post's previous report and slightly higher than industry figures.

Post estimates production for CY 2002 to increase around five percent to a record 2,205 TMT (CWE). ABS figures show that beef production for the first nine months of CY 2002 fell slightly when compared to the same period for the previous year. However, monthly data for September to November 2002 show a 26 percent increase in production compared to the same period in the previous year. Severe drought and the depletion of fodder reserves toward the end of CY 2002 have combined to lift overall production around five percent.

Production for CY 2003 is forecast to remain at the record high level of 2,205 TMT, driven by forecast record slaughter levels, only partially constrained by lower slaughter weights. The significant increase in slaughter toward the end of CY 2002 is expected to persist into CY 2003 and, despite the anticipated return to more normal weather conditions, post expects slaughter levels to remain high until fodder reserves can increase to more normal levels.

Consumption

Official overall consumption figures are not available from the ABS.

ABARE provides historical consumption estimates only. These estimates put long term consumption at around 700 TMT per annum. Consumption figures provided by post are derived from exports and production and are estimated at 688 TMT for CY2002 and forecast at 673 TMT for CY 2003.

Stocks

Official ABS figures for beef stocks are not available.

Anecdotal evidence suggests that Australian stocks of beef are not large and reflect the commercial environment in which beef is produced.

Trade

According to official ABS figures, beef and veal exports for CY 2001 were 972,000 MT (shipped weight). Post estimates this to represent a record 1,391 TMT (CWE) using a conversion factor of 1.43.

Post estimates beef and veal exports to increase around seven percent in CY 2002, to 1,488 TMT (CWE), surpassing the record of the previous year and in line with increased production. Official ABS figures for the first nine months of CY 2002 show a slight decrease in exports, but the dramatic increase in production toward the end of CY 2002 is expected to increase overall exports to around seven percent.

Exports of beef and veal are forecast to increase around four percent in CY 2003, reaching 1,551 TMT (CWE) and surpassing the estimated record for the previous year. The higher levels of slaughter and production toward the end of CY 2002 are expected to carry over into CY 2003. Despite the anticipated return to normal weather conditions in CY 2003, pasture and fodder reserves are not expected to return to more normal levels until the second half of CY 2003.

Policy

The United States is now Australia's largest beef export market. In CY 2001, 400,882 MT (Shipped Weight) of beef was exported to the United States, the highest level in over a decade. Access provisions to the U.S. market provide Australia with an in-quota entitlement of 378,214 MT.

The Government of Australia (GOA) implemented a quota allocation scheme on July 1, 2001 which allocates access to the U.S. market. This scheme has created fierce debate among industry and government organizations. Industry representatives have publicly stated that any successfully negotiated Free Trade Agreement (FTA) with the United States should include increased market access for Australian beef exported to the United States.

Japan has traditionally been Australia's largest export market and has also traditionally been a high value market. ABARE's historical data suggests a high correlation between beef exports to Japan and prices received for cattle by Australian beef producers.

Industry and the GOA are increasingly anxious on the prospect of Japan dramatically increasing the tariff for imported beef. Exports of beef to Japan are currently subject to a tariff of 38.5 percent. However, Uruguay Round safeguard arrangements allow the tariff to increase (snap back) to 50 percent if beef imports rise by more than 17 percent in a three month period.

The outbreak of BSE in Japan in the second half of 2001 resulted in a rapid decline in beef consumption and beef imports. Industry sources state that, since then, the market has recovered significantly. Ironically this recovery from a low base is set to trigger the "snap back" provision.

Sheep, Lamb, Mutton & Goat

Production

Inventory: Official ABS figures place total sheep numbers at 111 million head for June 30 2001, the lowest recorded figure since 1949. Post has adjusted opening inventory for CY 2002 downwards in line with this number. This number is significant because it indicates that Australian sheep numbers were falling at a time when industry and government sources anticipated a significant increase following a decade of decline (ABS put sheep numbers at 118.5 for the previous year). ABARE has revised their inventory number downwards for 2000/2001 in line with the ABS numbers.

Opening inventory for CY 2002 is estimated at 101 million head, down 10 percent on the previous year and in line with ABARE's estimate. Industry sources report that some specialist sheep producing areas experienced below average rainfall in CY 2001 and are now experiencing their second year of below average rainfall. Drought conditions experienced for much of CY 2002 have reduced the natural flock increase and increased losses.

Post forecasts opening inventory in CY 2003 to fall a further 10 percent to 91 million head. Despite an expected return to more normal weather conditions, depleted fodder reserves and a forecast increase in cropping activity are expected to constrain inventories from recovering in CY 2003. Post forecasts CY 2003 inventory to close unchanged at 91 million head.

Production (Lamb Crop): Official ABS numbers are not available for the lamb crop. Lamb crop numbers provided by post are derived from inventory numbers.

Live Exports: Official ABS figures place live sheep exports at 6.9 million head for CY 2001. Post has reduced estimated live exports for CY 2002 by seven percent to 6.4 million head, in line with ABS figures for the first nine months of CY 2002. Industry sources and media reports have been suggesting for over a year that the availability of sheep suitable for live export is in rapid decline. Post advises that the reduction in live sheep export numbers would have been far greater with a return to more normal weather conditions.

Live sheep exports for CY 2003 are forecast to fall a further 8 percent, to 5.9 million head, a level considered close to the long term average. A return to normal weather conditions is expected to provide downward pressure on live export numbers, particularly toward the end of CY 2003, when fodder reserves and pasture conditions are expected to have returned to more normal levels.

Slaughter: Official ABS statistics place total sheep slaughter for CY 2001 at 33.7 million head, largely unchanged from post's previous report. This is reflected by figures carried by both MLA and ABARE.

Sheep slaughter in CY 2002 is estimated to fall nearly five percent to 32.1 million head. Official ABS figures for the first nine months of CY 2002 show a fall of nearly seven percent. However, monthly data show slaughter increased for the months of September to November 2002, which should constrain the fall in overall slaughter to around 5 percent.

Sheep slaughter in CY 2003 is forecast to fall a further three percent to 31.3 million head. The higher slaughter levels experienced toward the end of CY 2002 should continue into the first half of CY 2003. However, an expected return to normal weather conditions is expected to place downward pressure on slaughter, particularly in the mutton sector, which is less reliant on improved pasture conditions and fodder reserves.

Production: Official ABS statistics place CY 2001 sheepmeat production at 679 TMT (Carcass Weight Equivalent - CWE), unchanged from post's previous report.

Sheepmeat production is estimated to have declined slightly to 670 TMT (CWE) in CY 2002. This fall was driven by a decline in overall slaughter for the year and the likely decrease in carcass weights as seasonal conditions deteriorated.

Sheepmeat production in CY 2003 is forecast to increase to 688 TMT, an increase of between two and three percent. A return to more normal seasonal conditions in CY 2003, together with a steady increase in pasture availability and fodder reserves are expected to increase productivity and slaughter weights.

Consumption

Decreasing inventories and an increasing human population in Australia are providing downward pressure on per capita sheepmeat consumption. ABARE figures have per capita consumption of lamb falling seven percent to 11.4 kg in 2001/02 and a further seven percent to 10.6 in CY 2002/03. Mutton consumption fell 22 percent to 4.5 kg in 2001/02 and is expected to rise 2.2 percent to 4.6 kg in 2002/03.

Stocks

Official figures for sheepmeat stocks are not available.

Anecdotal evidence suggests that Australian stocks of mutton and lamb are not large and reflect the commercial environment in which they are produced.

Trade

According to official ABS statistics, Australia exported a total of 308,245 MT (shipped weight) of sheepmeat in CY 2001. This is equal to around 453 TMT of Carcass Weight Equivalent (CWE) sheepmeat using a conversion factor of 1.47.

Sheepmeat exports for CY 2002 are estimated to have decreased five percent to 432 MT CWE, in line with ABS figures for the first nine months of CY 2002. Increased slaughter toward the end of CY 2002 could provide some upward potential, but this would place downward pressure on domestic consumption which is already estimated to to have fallen by six percent.

Sheepmeat exports for CY 2003 are forecast to remain unchanged at 432 TMT CWE. Despite a fall in slaughter numbers, the anticipated return to more normal weather conditions is expected to increase carcass weights, particularly in mutton sheep.

Marketing

Meat and Livestock Australia (MLA) is an industry-owned company which is funded by a transaction levy on sheep and cattle. MLA provides various functions for the red meat sector such as research and development, marketing and promotion and a range of other key industry services.

Red meat consumption in Australia has suffered downward pressure at various times over the last decade. MLA has funded various promotional activities in order to arrest the decline of red meat consumption and improve its general image.

MLA's most recent promotional campaign for lamb has been aimed at improving domestic consumption. Promoting Lamb as Australia's national dish, "The Lamb - Order of Australia" campaign was launched on national television.

MLA claims Australia has the second largest per capita consumption of lamb in the world, surpassed only by New Zealand. Media reports claim that Australians are eating lamb "more frequently" now than four years ago.

Swine

Production

Inventory: Post has revised inventory numbers upwards for CY 2001, to 2.7 million head, in line with official ABS figures. Inventory is estimated to have risen 12 percent to 2.9 million head in CY 2002, unchanged from post's previous report. Inventory is forecast to fall six percent, to 2.7 million head, in CY 2003, unchanged from post's previous report. A dramatic fall in feedgrain availability and high feedgrain prices due to drought conditions are expected to put downward pressure on pig numbers for much of CY 2003.

Production (Pig Crop): Pig crop numbers for CY 2001 remain unchanged from post's previous report. Post estimates pig crop numbers for CY 2002 have risen 2.2 percent, to 5.46 million head. Pig crop numbers for CY 2003 are expected to fall two percent, to 5.3 million head. High grain prices and low grain availability have put downward pressure on inventory numbers (including sow numbers), with post anticipating this will lead to a smaller pig crop for CY 2003.

Slaughter: Official ABS figures place total slaughter for CY 2001 at 5.2 million head, unchanged from post's previous report. Slaughter is estimated to have increased nine percent in CY 2002, to over 5.6 million head, the highest level in over a decade and in line with ABS data for the first nine months of CY 2002. Grain production in Australia during CY 2002 was more than halved and domestic grain prices have reached record highs forcing many growers to slaughter stock that otherwise would have been retained.

Slaughter for CY 2003 is forecast to fall slightly, to 5.6 million head, but will remain at historically high levels. Although post has assumed a return to average weather conditions for CY 2003, post anticipates inventory numbers to continue to fall until fodder reserves reach more normal levels.

Production: Official ABS production figures for CY 2001 place total pig meat production at 378,488 MT. Post estimates pig meat production in CY 2002 to rise to 411,000 MT in line with ABS figures for the first nine months of CY 2002, showing an increase of nearly nine percent. This represents the highest level of production for over a decade. Increased slaughter, due largely to high feedgrain prices is mostly responsible for the historically high level of production.

Production is forecast to fall five percent to 390,000 MT in CY 2003. Post anticipates that record feedgrain prices will cause slaughter weights to fall while keeping slaughter at historically high levels. Although post has assumed a return to more normal weather conditions, fodder reserves are not expected to return to more normal levels until the end of CY 2003.

Consumption

Official statistics for overall domestic consumption are not available in Australia. Consumption figures reported by post are derived from imports, exports and production, which post believes are reflective of actual consumption patterns.

Post estimates domestic consumption in CY 2002 to increase nearly six percent, to 381 TMT, the highest level in over a decade. This increase is being driven by historically high levels of production.

Domestic consumption is forecast to decrease slightly in CY 2003, to 390 TMT. Historically high production and imports, together with the continual increase in white meat consumption, is expected to keep consumption at historically high levels

Stocks

Official statistics on stock levels are not available in Australia. Stock levels reported by post are derived from the residual of other categories of data.

The GOA does not have programs to encourage the accumulation of stocks of pigmeat. Post believes that stock levels in Australia are reflective of the commercial environment in which pigmeat is produced.

Trade

Official ABS statistics place exports for CY 2001 at 52.8 TMT in shipped weight. Post believes this figure to be approximately equal to 66 TMT in Carcass Weight Equivalent (CWE) using a conversion factor of 1.25.

Exports are estimated to have increased dramatically to 80 TMT (CWE) in CY 2002. Official ABS data show exports increased by 15 percent for the first nine months of CY 2002. However, the September quarter showed a 22 percent increase in exports versus the previous year. Also, monthly slaughter data for September to November indicate production increases on the order of 22 percent for the final quarter. Post believes increased production is more likely to be exported than consumed domestically.

Exports for CY 2003 are forecast to remain unchanged at 80 TMT CWE from the previous year’s historically high levels.